

## Message Text

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C O N F I D E N T I A L SECTION 1 OF 3 GENEVA 3288

E.O. 11652: GDS

TAGS: UNCTAD, EGEN, EMIN

SUBJ: UNCTAD - 8TH SPECIAL SESSION OF TDB: (1) REVIEW AND APPRAISAL  
OF IMPLEMENTATION OF IDS, NIEO, CERDS AND 7TH SPECIAL  
SESSION--WRAP-UP AND ASSESSMENT: (2) EXPERTS GROUP ON  
TUNGSTEN

### 1. SUMMARY AND ASSESSMENT.

THE TDB 8TH SPECIAL SESSION COULD DO NO MORE THAN AGREE TO  
DISAGREE ON ITS MAIN TOPIC, REVIEW AND APPRAISAL OF IMPLE-  
MENTATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY (IDS),  
THE UNGA 6TH SPECIAL SESSION RESOLUTIONS ON THE NEW INTER-  
NATIONAL ECONOMIC ORDER (NIEO), THE CHARTER OF ECONOMIC  
RIGHTS AND DUTIES OF STATES (CERDS) AND THE UNGA 7TH SPECIAL  
SESSION RESOLUTION 3362. IT AGREED SIMPLY TO FORWARD UNDER  
COVER OF A PURELY PROCEDURAL "CHAPEAU" THE SEPARATE, IRRECON-  
CILABLE PAPERS PREPARED BY THE G-77 AND GROUP B, TOGETHER  
WITH THOSE OF GROUP D (SOVIET BLOC) AND THE SECRETARIAT, AS  
INPUTS INTO THE ONGOING ECOSOC AND GA BIENNIAL R AND A  
PROCESS. THE GROUP B DOCUMENT WAS A BALANCED ONE, STRIKING  
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A REASONABLE FORTHCOMING NOTE, BUT THE G-77 DOCUMENT  
AS WELL AS MOST G-77 STATEMENTS IN PLENARY WERE ENTIRELY  
ONE-SIDED, PLACING THE WHOLE BLAME ON THE DCS FOR FAILURE  
TO MEET TARGETS AND "COMMITMENTS." THE NEW G-77 THESIS  
(ALSO ADVANCED BY THE UNCTAD SECRETARIAT) IS THAT THE IDS  
WAS BASED ON INVALID ASSUMPTIONS AND HAS FAILED, THAT IT  
MUST GIVE WAY TO A FUNDAMENTAL RESTRUCTURING OF INSTITUTIONAL

FRAMEWORK AS CALLED FOR BY THE NIEO RESOLUTIONS, AND THAT THIS MUST BE THE BASIC CONCEPT OF THE NEW IDS FOR THE THIRD DEVELOPMENT DECADE. ONE NOTE OF RESTRAINT IN THE G-77 DOCUMENT WAS ITS REFERENCE TO CIEC -- I.E., WHILE THERE HAVE BEEN NO AGREEMENTS YET, THE G-77 ATTACH GREAT IMPORTANCE TO CIEC AND LOOK TO IT FOR CONCRETE RESULTS -- INDICATING AN APPARENT DESIRE NOT TO ROCK THE BOAT AT THIS CRUCIAL JUNCTURE.

AS A CONTRIBUTION BY UNCTAD TO WHAT SHOULD BE A PROCESS OF BALANCED APPRAISAL AND STOCK-TAKING, THIS MEETING WAS ONE MORE EXERCISE IN FUTILITY. IT DOES NOT AUGUR WELL FOR THE ON-GOING R AND A PROCESS IN THE R AND A COMMITTEE, THE ECOSOC AND THE GA. MOREOVER, IT GIVES US A FORETASTE OF THE PROBLEMS WE WILL HAVE TO CONTEND WITH WHEN FACED WITH THE QUESTION OF REVISING THE IDS FOR THE THIRD DEVELOPMENT DECADE.  
END OF SUMMARY AND ASSESSMENT.

2. THE TDB 8TH SPECIAL SESSION TO ALL INTENTS AND PURPOSES FINISHED ITS WORK THE EVENING OF APRIL 29, WITH ONLY THE FORMAL CLOSING SESSION YET TO COME, NOW SCHEDULED FOR MAY 4, BACK-TO-BACK WITH THE SECOND PART OF THE TDB 16TH REGULAR SESSION.

3. ON THE MAIN TOPIC, REVIEW AND APPRAISAL, THE OUTCOME WAS AS MUCH OF A STALEMATE AS ANTICIPATED -- IN FACT MORE SO. A CONSENSUS DOCUMENT WITH ANY SUBSTANCE WAS CONFIDENTIAL

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IMPOSSIBLE, EVEN THOUGH GROUP B WASTED A GOOD DEAL OF TIME GOING OVER, SUCCESSIVELY, TWO INFORMAL SECRETARIAT DRAFTS, PREPARED AT THE REQUEST OF THE PRESIDENT (AMBASSADOR LAGERFELD OF SWEDEN): THE FIRST DESIGNED AS THE BASIS FOR NEGOTIATING A CONSENSUS CONCLUSION AND THE SECOND AS A CHAPEAU CONTAINING A FAIR AMOUNT OF SUBSTANCE. BOTH WERE REJECTED IN SUCCESSION BY THE G-77 WITHOUT EVEN HEARING THE GROUP B SUGGESTED CHANGES, IN SPITE OF THE FACT THAT THE ORIGINAL DRAFTS, WHILE FAIRLY BALANCED ON APPRAISAL, WERE SLANTED TOWARD G-77 POSITIONS ON A NUMBER OF SUBSTANTIVE POINTS. THE ONLY COMMENT IN THE FINALLY AGREED, PURELY PROCEDURAL "CHAPEAU" FORWARDING THE SEPARATE G-77 AND GROUPS B AND D DOCUMENTS, TOGETHER WITH THE SECRETARIAT REPORTS, WAS A QUESTIONABLE ASSERTION THAT THE THREE GROUP DOCUMENTS AND THE STATEMENTS MADE BY DELEGATIONS CONSTITUTED A "VALUABLE CONTRIBUTION" TO THE FORTHCOMING DEBATES ON R AND A IN THE GA, ECOSOC AND THE COMMITTEE ON R AND A.

4. THE DOCUMENT SUBMITTED BY GROUP B (SEE SEPTTEL) IS A BALANCED ONE, REPRESENTING AN EXPANSION OF THE EARLIER PRELIMINARY GROUP B STATEMENT MADE IN PLENARY (GENEVA 3141). USEFUL ADDITIONS INCLUDED PORTIONS CONTRIBUTED BY THE U.S. DELEGATION ON OVERALL RESOURCE FLOWS, THE GRANT COMPONENT OF ODA, AND GSP -- ALL DESIGNED TO RESPOND TO DENIGRATING REMARKS MADE IN PLENARY BY G-77 DELEGATIONS. THE GROUP D DOCUMENT IS NOT YET AVAILABLE, BUT WE ASSUME IT FOLLOWS THE GENERAL LINES OF THE GROUP D PLENARY STATEMENT (GENEVA 3198).

5. THE G-77 "POSITION PAPER" IS SUMMARIZED IN SEPTTEL. WE GATHER THE G-77 DID NOT HAVE AN EASY TIME WITHIN THEIR OWN RANKS. FOR EXAMPLE, WE ARE TOLD THAT IT WAS AT LATIN AMERICAN INSISTENCE -- WITH SOME AFRICAN RESISTANCE -- THAT ALL MENTION OF BASIC NEEDS WAS REMOVED (A CONCEPT

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TO WHICH THE UNCTAD SECRETARIAT REPORTS GAVE CONSIDERABLE ATTENTION). THERE IS ALSO NO AUTOCRITICISM, ALL THE BLAME BEING HEAPED ON THE DCS, PARTICULARLY THE WESTERN DCS. ON THE OTHER HAND THE OPEC COUNTRIES RECEIVE PRAISE FOR THEIR ASSISTANCE AND NO BLAME FOR THEIR CONTRIBUTION TO THE ECONOMIC RECESSION.

6. A CONTRASTING POINT OF NOTE IN THE G-77 PAPER IS ITS RESTRAINED LANGUAGE ON CIEC, I.E., THAT, WHILE THERE HAVE BEEN NO AGREEMENTS YET, THE LDCS ATTACH GREAT IMPORTANCE

TO CIEC AND LOOK TO IT FOR CONCRETE RESULTS, WHICH CAN THEN BE REVIEWED BY THE GA (PRESUMABLY THE RESUMED 31ST SESSION). THIS DIFFERS MARKEDLY FROM THE ANGRY, SLANTED G-77 RESOLUTION ON CIEC ADOPTED BY THE GA LAST FALL (WITH VIRTUALLY ALL WEOS ABSTAINING), AND SEEMS TO INDICATE THAT THE G-77 DID NOT WANT TO ROCK THE BOAT JUST AS THE FINAL ROUND OF CIEC WAS GETTING UNDERWAY.

7. ANOTHER POINT OF NOTE THAT COMES THROUGH IN THE G-77 PAPER AND PLENARY STATEMENTS AND IN THE SECRETARIAT REPORT  
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IS A NEW SLANT IN THE G-77'S PERCEPTION OF THE IDS-NIEO RELATIONSHIP. THE 6TH SPECIAL SESSION NIEO RESOLUTIONS SPOKE OF THE IDS AS AN IMPORTANT STEP CONTRIBUTING TO THE FULFILLMENT OF THE NIEO, WHICH IN TURN COMPLEMENTS AND STRENGTHENS THE GOALS OF THE IDS. NOW THE REFRAIN IS NOT ONLY THAT THE DCS FAILED TO MEET IDS TARGETS AND "COMMITMENTS", BUT THAT THE IDS ITSELF, OPERATING WITHIN THE EXISTING INSTITUTIONAL FRAMEWORK, WAS BASED ON INVALID ASSUMPTIONS; THAT ITS PREMISES ARE NO LONGER APPROPRIATE; AND THAT IT MUST GIVE WAY TO A RESTRUCTURING OF THE INSTITUTIONAL FRAMEWORK AS CALLED FOR IN THE NIEO RESOLUTIONS. (THE "DISMAL RECORD" AND THE DC'S "LACK OF POLITICAL WILL" IN IMPLEMENTING THE IDS AND THE NIEO IS USED AS AN ARGUMENT FOR ABANDONING THE FORMER BUT NOT THE LATTER.) WHAT ALL THIS MEANS IS FAR FROM CLEAR, BUT THIS INTERPRETATION OF INSTITUTIONAL RESTRUCTURING UNDER THE NIEO (ACCORDING TO THE SECRETARIAT REPORT) SEEMS TO INVOLVE A WHOLE BASKETFUL OF TRICKS, INCLUDING WELL-KNOWN POSITIONS ON SUCH SPECIFIC QUESTIONS AS SOVEREIGNTY OVER NATURAL RESOURCES, CONTROL OVER TNCs, PRODUCERS ASSOCIATIONS, AN INTEGRATED PROGRAM FOR COMMODITIES, EXPANDED COMPENSATORY FINANCING, CODES OF CONDUCT, MONETARY AND TRADE REFORM, ASSURED ODA, ETC., AND MORE GENERAL CONCEPTS SUCH AS DISCARDING PRIMARY RELIANCE ON MARKET FORCES TO TRANSMIT ECONOMIC GROWTH, REDUCING EXCESSIVE DEPENDENCE ON DCS, COLLECTIVE SELF-RELIANCE, A GREATER VOICE IN INTERNATIONAL DECISION-MAKING, MEASURES TO INCREASE LDC BARGAINING AND "COUNTERVAILING" POWER, AND SO ON. BOTH THE G-77 AND THE SECRETARIAT CALL FOR THE NEW IDS FOR THE THIRD DEVELOPMENT DECADE TO BE BASED ON THE CONCEPT OF RESTRUCTURING CONTAINED IN THE NIEO RESOLUTIONS, WITH THE CERDS AND 7TH SPECIAL SESSION RESOLUTION (WHICH THE G-77 INTERPRET IN THE CONTEXT OF THE NIEO) THROWN IN FOR GOOD MEASURE. THE G-77 SPOKESMAN SAID THE NEW IDS SHOULD BE "COMPLETELY DIFFERENT" FROM THE OLD.  
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8. IT WAS ENTERTAINING TO OBSERVE, WHEN THE PROCEDURAL CHAPEAU WAS BEING DISCUSSED IN CONTACT GROUP, THAT THE G-77 SPOKESMAN REJECTED ANY LANGUAGE TO THE EFFECT THAT THE SECRETARIAT REPORTS MADE A USEFUL CONTRIBUTION. DESPITE OUR OWN AND GROUP B'S PROBLEMS WITH SUBSTANTIAL PARTS OF THE SECRETARIAT REPORTS SLANTED TOWARD G-77 POSITIONS, THERE WAS AT LEAST A LITTLE BALANCE WITH RESPECT TO INADEQUATE LDC PERFORMANCE, DISTRIBUTION OF INCOME, ETC. HOWEVER, EVEN THIS MILD CRITICISM WAS INTOLERABLE TO THE G-77. THE LIBYAN REPRESENTATIVE EVEN PROCLAIMED ANGRILY THAT THE SECRETARIAT WAS SUPPOSED TO BE NEUTRAL. THUS THE UNCTAD SECRETARIAT, WHOM WE GENERALLY REGARD AS FAR FROM NEUTRAL IN THE OPPOSITE DIRECTION OF BEING IN EFFECT THE G-77'S SECRETARIAT, NOW SEEMS TO HAVE GOTTEN IN DUTCH WITH THE G-77 OVER ITS MODEST EFFORTS TO SHOW A LITTLE BALANCE.

9. THROUGHOUT THIS SESSION GROUP B MAINTAINED REASONABLE SOLIDARITY DESPITE DIFFERENCES WITHIN IT. HOWEVER, THE MAVERICK DUTCH AND THE NORWEGIANS DID MAKE THEIR SEPARATE STATEMENTS IN PLENARY, AND THE NETHERLANDS POSITION WAS ONE ELEMENT IN THE EC-9 DECISION TO BREAK RANKS BY MAKING THEIR OWN SEPARATE STATEMENT (GENEVA 3198), FOR WHICH THE BRITISH CHAIRMAN OF THE EC-9 APOLOGIZED TO US. NEVERTHELESS WE AND THE JAPANESE DECIDED TO STICK WITH OUR ORIGINAL DECISION TO LET THE GROUP B STATEMENT SPEAK FOR US, AS DID THE REST. GROUP B WAS ABLE TO REACH AGREEMENT BOTH ON ITS PRELIMINARY STATEMENT AND ON ITS FINAL DOCUMENT, WHICH ALLOWED FOR A CERTAIN RANGE OF POSITIONS WITHIN THE GROUP, AS WELL AS IN THE FUTILE EXERCISE OF ARRIVING AT AGREED CHANGES IN THE TWO ABORTED SECRETARIAT DRAFTS MENTIONED ABOVE. IN ALL THIS, THE U.S. DELEGATION

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HAD LITTLE DIFFICULTY IN GETTING ITS IDEAS ACCEPTED BY  
THE GROUP.

10. AS TO OUR OWN ASSESSMENT OF THE FUTILITY OF THIS  
EXERCISE, WE FIND OUR VIEWS GENERALLY SHARED BY OTHER  
MEMBERS OF GROUP B AS WELL BY SUCH DIVERSE ELEMENTS AS  
THE HEADS OF THE BRAZILIAN, JAMAICAN AND SOVIET DELEGATIONS.

11. TWO SPECIALIZED TOPICS WERE DEALT WITH EXPEDITIOUSLY:  
(-) THE FUTURE STATUS OF THE GROUP OF GOVERNMENTAL EXPERTS  
ON AID AND FLOW TARGETS WAS LEFT TO THE 17TH TDB. (B)  
THE TDB CREATED AN AD HOC INTERGOVERNMENTAL GROUP OF  
EXPERTS ON TUNGSTEN FROM SEVEN CONSUMER COUNTRIES  
(FRANCE, FRG, JAPAN, SWEDEN, UK, USA, USSR) AND SEVEN  
PRODUCER COUNTRIES (AUSTRALIA, AUSTRIA, BOLIVIA, CANADA,  
CHINA, SPAIN, THAILAND) TO EXAMINE PROPOSALS FOR  
STABILIZING THE WORLD TUNGSTEN MARKET; THE EXPERTS  
GROUP IS TO REPORT TO THE COMMITTEE ON TUNGSTEN IN  
JANUARY 1978 AND THE LATTER TO THE TDB ON THE POSSIBILITY  
OF A NEGOTIATING CONFERENCE TO BE HELD BEFORE JULY 1978  
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(SEE SEPTTEL).SORENSEN

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## Message Attributes

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